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FM AMEMBASSY TOKYO
TO RUEHC/SECSTATE WASHDC PRIORITY 0133
INFO RUCNASE/ASEAN MEMBER COLLECTIVE PRIORITY
RUCNARF/ASEAN REGIONAL FORUM COLLECTIVE PRIORITY
RUEHZU/ASIAN PACIFIC ECONOMIC COOPERATION PRIORITY
RUEHSS/OECD POSTS COLLECTIVE PRIORITY
RHMFISS/COMUSJAPAN YOKOTA AB JA PRIORITY
RHEHAAA/NSC WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 03 TOKYO 000372

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NSC FOR DR. INBODEN

E.O. 12958: DECL: 01/25/2017

TAGS: [PREL](#) [EAID](#) [KDEM](#) [OECD](#) [JA](#)

SUBJECT: S/P DIRECTOR KRASNER DISCUSSES PARTNERSHIP FOR
DEMOCRATIC GOVERNANCE WITH JAPANESE MOFA

Classified By: Charge d'Affaires W.Michael Meserve for reasons 1.4(b) and (d)

¶1. (C) SUMMARY: Meeting with S/P Director Dr. Stephen Krasner on January 12, Japanese Foreign Ministry Deputy Director General for International Cooperation Hiroshi Fukada welcomed the possible participation of the OECD in the Partnership for Democratic Governance initiative. He noted that housing the initiative as an OECD Part 2 organization, along with possible endorsement of the initiative by the OECD Ministers' Meeting or at the G-8 Summit, would improve the prospects of securing Japanese funding for the initiative. Fukada expressed caution, however, about the potential for a negative reaction of possible developing country participants in the initiative to the emphasis on the term "democracy."
END SUMMARY.

¶2. (SBU) MOFA Deputy Director General for International Cooperation Hiroshi Fukada opened the January 12 meeting with Dr. Krasner by noting that he had met recently with a number of visitors from Washington, including EAP Deputy Assistant Secretary Eric John, SCA Deputy Assistant Secretary Evan

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Feigenbaum, and EB Assistant Secretary Dan Sullivan. He and DAS John had discussed possible U.S.-Japan trilateral cooperation with ASEAN, particularly in the areas of human trafficking and avian influenza. During Feigenbaum's meetings, there had also been agreement regarding the concept of assistance to strengthen border security in Central Asian countries along with the possibility of inviting the European Union into follow up discussions on economic cooperation. Assistant Secretary Sullivan's meeting, Fukada said, centered on follow up to the Strategic Development Alliance with respect to focusing on certain countries, notably Pakistan.

¶3. (SBU) Dr. Krasner indicated he was exploring how to operationalize the ideas set out by Japanese Foreign Minister Taro Aso in a recent speech on the "arc of freedom and prosperity" and suggested that perhaps the Partnership for Democratic Governance (PDG) was one such approach. Offering an update on the Partnership for Democratic Governance (PDG) initiative, Dr. Krasner said that he was quite confident that the State Department would provide USD 1 million in funding at the present time and was seeking USD 5 million on an ongoing basis. He also stressed his discussions with the OECD had gone very well and that OECD Secretary-General Angel Gurría intended to take a proposal to launch a needs assessment regarding OECD participation in the PDG to the

OECD Council as early as February. Dr. Krasner added that a number of countries had expressed interest in the initiative including India, UK, France, Germany, Australia, Canada, and Hungary. Having a developing country like India take part, he emphasized, was particularly important. He noted that the initiative had also been discussed with the OAS and the AU.

Japan Welcomes Possible OECD Involvement

¶4. (C) Fukada was very pleased at the possibility of OECD involvement in the initiative, noting that such a development would facilitate potential Japanese funding. Dr. Krasner indicated that the initiative would be fall under the OECD umbrella as a "Part 2" organization, which would allow the participation of non-member countries. Dr. Krasner also stressed that it was hoped that the OECD would also cooperate with the UN Development Program (UNDP) on the initiative. UNDP field staff, he explained, could assist in identifying certain needs under the initiative.

¶5. (SBU) Fukada emphasized that the initiative would be best channeled through the OECD's Center for Cooperation with Non-Members (CCNM). Japan had already provided funding to the Center, he added. Fukada also raised the UN Democracy Fund, noting that the Japanese Foreign Ministry had secured USD 10 million in funding from the recently passed 2006 Supplemental Budget for that U.S.-sponsored initiative as well. It would be necessary, he stressed, for the United States to clarify the difference between the UN Democracy Fund and the PDG if it wants to gain more Japanese funding for the latter.

Differences with UN Democracy Fund

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¶6. (SBU) The UN Democracy Fund, Dr. Krasner observed, would focus most on civil society development. Democratic governance involved three main elements: elections, civil society, and institutions. The PDG would serve as a tool to develop institutions, perhaps the biggest challenge at present, Dr. Krasner said. It would only be successful in this regard, however, if political leaders in the target countries were willing to use it as such. That was one reason, Dr. Krasner stressed, that the United States hoped for co-financing with PDG participating countries as a way of clearly demonstrating political support by the recipients. In addition, although similar initiatives to date had put great stress on training, more was needed, Dr. Krasner noted.

¶7. (C) Fukada emphasized that OECD participation in the PDG would probably need the endorsement of the organizations ministerial meeting to be held in May. Dr. Krasner reiterated that OECD Secretary-General would probably put a proposal for a needs assessment before the OECD Council in February, but added that the United States did not expect that all OECD member states would necessarily sign up to the initiative. Fukuda asked whether the PDG would also be added as an issue for the G-8 Summit, to which Dr. Krasner replied that there are currently no plans to do so. According to Dr. Krasner, even though the Germans, who are hosting the 2007 summit, had been briefed on the PDG, they seem to have largely dropped rule of law and related issues from the summit agenda.

Japan Would Like OECD Ministers, G-8 Endorsement of PDG

¶8. (C) Fukada stressed that the Japanese would prefer to use forums like the OECD Ministers Meeting and the G-8 to gain top-level endorsement of proposals like the PDG as a way

to garner support internally within the Japanese Government. Fukada also noted that many possible participating countries in the initiative would have an "allergic response" to its use of the term "democracy" in its title. Dr. Krasner indicated that the nomenclature would have to be decided by the participants. The main point, however, was that the OECD should be part of a unified initiative; there should not be two tracks. Other questions, Dr. Krasner acknowledged, also had yet to be resolved, such as whether there ought to be governance qualifications on countries that went to the OECD Secretariat looking to participate.

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¶9. (C) Fukada replied that he would check further into the possibility of OECD's participation, including contacting the head of the CCNM who is Fukuda's personal friend. Fukada also indicated he would coordinate with the Japan International Cooperation Agency. He strongly emphasized the need for speed in obtaining senior-level endorsement for the initiative at the OECD.

Caution on Asia-Pacific Partnership Idea

¶10. (C) NSC Senior Director Inboden briefly gave an overview of the idea of an Asia-Pacific Democracy Partnership (APDP) that would coordinate existing projects in the region focusing on democracy and good governance. This proposal, Inboden stressed, could fit well with the concept of the "arc of freedom and prosperity" recently put forward by Japanese Foreign Minister Aso. While indicating that the Japanese would consider the proposal, Fukada expressed great caution about having too much focus on a specific "area." This posed a particular danger of enflaming debate over definitions of "democracy" and provoking a negative reaction from many countries in the region. For their part, the Japanese had even had an acrimonious debate with the South Koreans about how to define democracy, Fukada noted. Dr. Inboden replied that the APDP would focus on responding to countries in the region like East Timor that were looking to develop democratic institutions and would largely just take advantage of activities other donor countries already had in place. Some developing countries that had already undergone a democratic transition such as Mongolia might also be in a position to contribute to the APDP, Dr. Inboden noted.

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Japanese Support for Governance, Democracy Already Significant

¶11. (SBU) MOFA Aid Policy Planning Division Director Naoki Ito passed out a paper showing various Japanese government projects on governance already underway. According to Ito, the Foreign Ministry had spent USD 120 million during JFY 2005 (April 2005-March 2006) on democracy projects. It noted that the categories of these projects fit well with the topics covered in Dr. Inboden's APDP proposal. In particular, the Japanese had funded a substantial amount of training aimed at improving governance. Dr. Inboden acknowledged that the Japanese activities corresponded well to the APDP priorities. Director Ito also mentioned that MOFA's grassroots grants, which are administered by Japan's embassies but approved by MOFA headquarters, also strengthen democratic institutions, e.g., local NGOs, local authorities and civic organizations. MOFA funds approximately USD 160 million grassroots grants each year, Ito noted.

¶12. (SBU) NOTE: In a separate meeting earlier in the day, Deputy Director General for Foreign Policy Yasumasa Nagamine cautioned Dr. Krasner that while the PDG concept sounds interesting, in general the Japanese prefer to invest their ODA funds in "national flag up" projects in which recipient

nations clearly recognize who (Japan) is coming to their assistance. This is because Japan's first priority in granting ODA is to advance its own foreign policy and national interests. In addition, Japan continues to view the issue of sovereignty as important. It is therefore less likely to want to become involved in assistance projects that involve non-governmental, private, or international organizations, rather than national governments. For these reasons, Nagamine cautioned that the PDG concept might be a hard sell with parts of the Japanese bureaucracy. END NOTE.

¶13. (SBU) Participants:

Japanese Participants

Hiroshi Fukada
Deputy Director General
International Cooperation Bureau, MOFA

Naoki Ito
Director, Aid Policy Planning Division, MOFA

U.S. Participants

Stephen Krasner
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James Green
Policy Planning Staff, State Department

Charles Aanenson
AID Counselor, Embassy Tokyo

Evan Reade
First Secretary, Embassy Tokyo

Chris Wurzel
First Secretary, Embassy Tokyo (notetaker)

¶14. (U) This cable was cleared by S/P Director Krasner.
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